

**Mayor Paul D. Fraim
2015 State of the City Address
February 20, 2015**

Good afternoon.

It's always an honor to have this opportunity to report on the good work being accomplished that is making our city a better place to live, work and raise a family.

So thank you for braving the bitter winter weather to be here.

Thanks, also, to Bryan Stephens and the Hampton Roads Chamber of Commerce for organizing and hosting this annual event.

Thanks are also in order for city crews, public safety and VDOT personnel, who worked through this week's snow storm.

They did an outstanding job.

We are pleased to have some special guests with us. Our good friend, General Jean-Paul Paloméros, NATO's Supreme Allied Commander, is here.

Also here is Admiral Philip Davidson, Commander, U.S. Fleet Forces Command; who assumed command this past December and is joining us for the first time.

Welcome Admiral.

Norfolk, more than most cities, understands the sacrifices made by the men and women in uniform who are keeping us safe in a dangerous world, and by their families.

We are deeply grateful for their service.

We also appreciate the many veterans who choose to live here, and we are committed to being the most military and veteran friendly city in the country.

Something we are very proud of is that Norfolk was the first municipality in the State certified as a Virginia Values Veterans employer – meaning we met our pledge to hire and retain veterans – and last year, we were the first to receive Gold Level certification.

There's someone else who appreciates the military and the City of Norfolk...and that's our friends at GEICO.

[AFTER VIDEO, GECKO WALKS ACROSS STAGE]

Thank you, very much, for showcasing our great city and for the millions of favorable impressions nationwide.

Eat your heart out Virginia Beach!

The opening of Slover Library and the new Norfolk courthouse in January made this New Year one of the best.

Over 13,000 people visited Slover Library on opening weekend - and they loved it.

From architecture to special features like a children's library and unique public spaces, the Slover is a masterpiece that artfully combines modern and classical design.

Inside is the most technologically advanced library in the country with a giant high definition media wall, 21 interactive touch tables, and more.

An expanded Sargent Memorial Room showcases local history. Slover is run by an energized staff of 109 new workers downtown.

None of this would have been possible without the generous support of the late Frank Batten and his wife, Jane, so please join me in thanking the Batten family.

After decades of planning and three years of construction, the city's new courthouse opened on January 24th.

Funded over 9 separate budgets, it's the largest investment ever made by Norfolk in a public building.

It's a magnificent facility that brings the circuit and general district courts under one roof and includes modern security measures and the first paperless court clerk's record room in the Commonwealth.

Phase II begins this spring on the Juvenile and Domestic Relations Court and the law library.

It also includes rebuilding the civic center plaza and bringing Main Street across St. Paul's Boulevard.

The total project comes in at 315,000 square feet, making it the biggest building ever built by the city.

Residents come to court to conduct business, obtain marriage licenses, register wills, record deeds – the comings and goings of the City.

Here justice is also dispensed. Where this occurs says much about the community's commitment to the quality of justice.....This building speaks well of our commitment.

Construction is well underway on The Main – a 22-story Hilton Hotel – and on The Exchange – a state-of-the-art 105,000 square foot conference center.

Amenities to this landmark development include dramatic contemporary architecture, interior themes reflecting our maritime heritage, three upscale restaurants and a rooftop lounge.

When it opens less than two years from now, The Main will move Norfolk into a top-tier choice for business and leisure travelers, and enable us to attract a wide variety of conferences.

It will also add 400 new jobs downtown.

Reservations are going very well and will drive visitors into other downtown hotels.

**We are glad to have the developer, Bruce Thompson with us today .
Bruce, thank you.**

For nearly 75 years, Norfolk Redevelopment and Housing Authority has played a leading role in every major redevelopment project.

Its contributions are seen downtown, in Ghent and in Huntersville, in Berkley and Broad Creek, in Park Place and Ocean View and in the growth and development of Norfolk State and Old Dominion universities.

Since 2004, NRHA has been ably led by Shurl Montgomery, who before becoming executive director was an assistant city manager.

His steady hand and solid leadership helped guide the Authority through major changes over the last 10 years.

After a public service career spanning more than 35 years, Shurl retires at the end of March.

Please help me thank him for all he has done for us.

On October 31st, the City handed the Cordish Company the keys to Waterside.

This spring, Cordish begins work on \$40 million dollars in improvements that will transform the complex into “Waterside Live,” a premier regional dining, entertainment and retail destination.

Scheduled for a summer 2016 opening, Waterside Live will create hundreds of new jobs, it will bring more energy downtown and will generate millions of dollars of revenue to the city over the next 30 years.

Last fall, the Half Moone Cruise and Celebration Center had one of its busiest seasons on record.

With Carnival Cruise Lines' announcement that the *Carnival Splendor* – a modern 3,000 passengers ship– will be sailing from Norfolk this spring and fall, this season will be even better.

We expect 19 ship calls bringing over 75,000 crew and passengers, for a total economic impact of \$7.8 million.

I would also note the Dickens Christmas Towne at Nauticus smashed attendance projections, attracting more than 23,000 people and giving Nauticus its best November and December ever - and a spectacular 20th anniversary.

Downtown is the region's center for business, finance, retail and culture.

It is also a neighborhood and as witnessed by the level of construction, it has become one of the most desirable places to live.

With eight projects either completed or underway, Buddy Gaddams is helping drive this trend while restoring historic buildings and improving the street-scape.

Many of these projects were announced last year, but it's worth highlighting how quickly units are renting.

The 126-unit Wainwright apartments are fully leased. The 137-unit Metro on Granby – which opened in October – is 95% rented. The just completed 79-unit James apartments is also 95% rented.

The 135-unit Law Building on Plume Street has barely opened and it is already 25% leased.

Coming on-line later this year are 32 units and two retail spaces in the

Virginia Building – at the corner of Granby and Plume.

Opening less than three months from now – in the former Union Mission – is the 86-unit Rockefeller Apartments.

Phase Two - with 60 units will commence following completion of Phase One. Buddy's latest effort is the 450 Boush apartments – a \$30 million, 156-unit development.

Construction begins this spring with completion next year.

Together, these developments will add about 850 units of housing and an estimated 1100 new residents, bringing downtown population to approximately 5,500.

Adding to this bustling mix of downtown residents and workers is the Tidewater Community College's 14,000 students. TCC plays a vital role, not only in education, but it also stimulates our local economy and contributes to our workforce development efforts.

MacArthur Center – the region's retail heart – continues to be over 95% occupied. Sales remain robust and are up over 3% from the previous year.

Today, I'm pleased to announce three new companies are relocating downtown, bringing 95 jobs with them:

The US headquarters of NexusDirect – a woman and minority-owned direct marketing agency; Bazon-Cox –a disabled veteran's IT installation company; and the regional headquarters of Burgess +Niple, an international engineering and architecture firm.

Our flagship corporate citizen, Norfolk Southern had another outstanding year.

The Thoroughbred of Transportation's profit was a record \$2 billion, up 5% from 2013, and Chairman and CEO Wick Moorman said he expects 2015 to be another solid year as the economy continues to expand.

Across Brambleton Avenue, the Arts District is thriving, with 90% of the properties in the Better Block area now leased, purchased or being developed.

Local artists and business people are opening restaurants, galleries, and entertainment venues. The historic Texaco building will soon reopen as Work/Release – an arts venue for exhibitions and events with community meeting

space and artists residences.

Just across the Brambleton Bridge is the Fort Norfolk area an extension of downtown and the western terminus of The Tide.

Fort Norfolk's waterfront views, light rail access and convenience to downtown, Ghent, and the medical complex make it a natural candidate for additional mixed use development.

Already there are plans underway by Rockville Development to renovate a 4-story building into the Front Street Apartments.

And I'm very pleased to report that soon a second tower will be added to Harbor's Edge in a \$100 million dollar development that will bring 118 new independent units, multiple dining venues, physician offices, and a wellness and fitness center.

It's a gorgeous building that will add dramatically to our skyline and our economy.

All of this energy is partly the result of what is called placemaking – an approach to planning that creates a mix of events and amenities that bring people together.

Place making is food trucks at MacArthur Square, the Holidays in the City parade, Festevents and waterfront festivals, a farmers market at St. Paul's Church, baseball at Harbor Park, the Symphony at Chrysler Hall, the Virginia Opera, the Virginia Stage, and First Fridays, which – by the way – drew over 2,000 people per event.

And not to be overlooked is the hugely successful inaugural Blue Moon Harbor Lights 5K and Marathon that attracted more than 6,000 runners from 36 states.

Norfolk has earned the title of Cultural Capital of the Commonwealth. And the soul of our many richly diverse cultural assets is the Chrysler Museum.

Following a \$24 million renovation and expansion, the new Chrysler reopened in May to wide critical acclaim.

Nearly upstaging it, though, was the Duck – a larger-than-life exhibit that attracted over 150,000 delighted visitors.

The Virginia Arts Festival continues to bring the finest artists in the world to Hampton Roads for all to enjoy.

The 2015 season features the International Tattoo, acclaimed opera diva Renee Fleming, and over 50 regional performances of dance, jazz, baroque music

and more.

The city is proud of its long record of sound financial management.

Two years ago, this disciplined approach to public finance led to the first upgrade of our bond rating in 50 years.

It also gave us a budget smaller this year than it was five years ago, yet still provides more funding for priorities like the school system. Active pursuit of innovative debt financing is being rewarded with millions of dollars in savings.

I'm pleased to report the city's economy continued on a positive growth trajectory in 2014 – as did our population.

Year-to-date collections from major sources of local revenue are above last year's level.

The unemployment rate dropped to 5.9%, the lowest rate since 2008.

More residential building permits were processed than at any time in anyone's memory.

The real estate market gained momentum with residential assessments on track to grow - however modestly - for the third consecutive year.

Our real estate tax rate remains very competitive.

Also, the crime rate continued a decade-long downward trend, falling another 3% last year.

I just want to add that Police Chief Mike Goldsmith is doing a great job with law enforcement as well as community engagement.

From involvement in youth sports to tutoring in the classroom, the police department is finding creative ways to build upon community relations with programs designed to develop, mentor, and educate our youth.

The Chief is also fully engaged in improving police conduct and the officers' interactions with our minority community.

The complicated issues of race and law enforcement must be a frank and constant portion of our civic dialogue.

Chief Goldsmith is leading the way in this effort. Please thank the Chief and the NPD for all that they continue to do for our city.

The Port of Virginia is a major business that contributes significantly to the local and state economy.

A little over one year after John Reinhart's arrival as executive director and CEO, the port has returned to profitability.

Since the start of the fiscal year, the port has posted a \$6.2 million dollar profit and record breaking volumes.

According to a recent report, total port spending in Hampton Roads amounts to almost \$17.5 billion dollars. Nearly \$4 billion of that was compensation for more than 92,000 workers at the port or in port-related businesses.

I wish I could tell you this tide is lifting all boats, but I cannot.

Our poverty rate remains one of the highest in the state. Its effects are felt in our schools, our neighborhoods, our health and our crime rate.

It is one of our most difficult challenges.

But as a compassionate community, it's a challenge we cannot ignore.

The Mayor's Commission on Poverty Reduction spent a year examining ways to reduce poverty.

Last July, the commission – co-chaired by Vice Mayor Angelia Williams and Councilman Andy Protogyrou – submitted a report identifying four critical areas of focus: early childhood education; youth career pathways; adult workforce development; and neighborhood revitalization.

This report is one of the finest produced by a study group, and I would ask all commission members present to stand so we can thank you for your commitment to improving the lives of the less fortunate.

In September, the council approved an initial allocation of a half million dollars to begin implementing the commission's recommendations.

More is needed. Much work lies ahead.

Homelessness is one of the most devastating results of poverty and we remain committed to our pledge to eliminate chronic homelessness.

In the past year, we've helped hundreds of homeless residents find shelter.

We were the first Hampton Roads city to build permanent supportive housing for the homeless, and by this time next year, we anticipate our second development - Church Street Station - to be under construction.

Its 40 units will bring the region's number of Single Room Occupancy units to 320 – an impressive achievement considering none existed nine years ago.

We are also committed to helping our homeless veterans, and since 2007 have reduced their numbers by 58%.

Since the Housing our Heroes initiative began, our partnership has obtained or maintained housing for 200 veteran households. And in the last 100-day challenge, the region found housing resources for 137 veterans – and over 40 were from Norfolk.

Still, we can do more. That's why last September, we joined the White House's Mayor's Challenge to End Veterans Homelessness by the end of this year.

And with help from our partners, we expect to achieve this goal well before the national deadline.

Supporting veterans is not just about the numbers, it's personal as well.

After serving our country for 11 ½ years, Frank McCattry found himself unemployed and struggling to keep a good home.

While working with VA and NRHA case workers, Frank took employment counseling, enrolled in TCC, found a job, built up his savings and credit, and worked with the HomeNet Homeownership center.

When he closed on a new home in December, he became the first veteran in Virginia to use a veterans housing voucher to buy a house and become a proud Norfolk homeowner.

Frank is here today with his two beautiful children, Lizzie and Elisha.

Please wish them the best of success.

Nearly everywhere you look, Norfolk's neighborhoods are changing and improving.

When you think of Park Place, the first thing that comes to mind is a residential neighborhood.

Yet this eclectic, up-and-coming area is also a thriving center for

business.

Park Place is home to nearly 300 businesses – and the variety is amazing.

Established firms like Old Dominion Peanut Company – the nation's largest producer of peanut brittle, which recently celebrated its 100th anniversary – are being joined by ventures ranging from start-ups like the Handsome Biscuit to growing companies like O'Conner Brewing, which last summer celebrated the opening of its expanded production facility on W. 24th Street.

We are glad to have Kevin O'Connor from O'Connor brewing and John Porter from Handsome Biscuit here.

Other growing businesses include CozyPure – an organic bedding manufacturer that relocated to Park Place to expand operations.

Soon to join their ranks on 35th Street is the award-winning Richmond restaurant, Croaker's Spot.

Work is now underway on this \$6 million dollar development that includes 52 apartments in addition to the restaurant, which will employ a staff of 50.

The project is being built by Hanson Development out of Richmond, and is the result of a relentless campaign by Vernon Fareed, president of the Park Place Business Association who wouldn't take no for an answer. Vernon is with us.

Please join me in congratulating him on a development that will immediately inject new energy into the historic heart of Park Place.

Nearby, off Hampton Boulevard, a number of new developments are emerging including Bold Mariner the city's newest craft brewery, which is owned by Michael Stacks, an active duty serviceman.

It is located in Lambert's Point and will open in late April.

In addition, Teagle & Little Printing acquired Americom and will add 40 employees and become known as “Centric.”

And I'm pleased to say a new mixed-use project on the west side of Hampton Boulevard above 21st street, is in the pipeline.

It's called, “Westside Place.”

This \$50-plus million dollar project is on a 13 acre site, featuring 250 apartments and over 100,000 square feet of retail that will lift and transform this

area.

We are pleased to be joined by the developers Dave Clark and Jim Carr from Vistacor; Tony Nero from Amada Hoffer, and Bonaventure, the residential partner.

The best results are often achieved when the market is allowed to work on its own. That's certainly true for the predominantly industrial and commercial area known as Chelsea.

Early pioneers like the Fit Company, New Leaf Florist, and Tortilla West were among the first to recognize its potential.

They were soon followed by other entrepreneurs attracted by its gritty, blue-collar feel.

With the opening of The Birch, Smartmouth Brewery, Otzi Tattoo, Acclaimed Events and the Bakehouse – and soon to be joined by The Torch Bistro – Chelsea has, on its own, become one of the trendiest areas in Hampton Roads.

We are pleased that Porter Hardy of Smartmouth Brewery and Malia Paasch [Mah-Lee-Yuh Pash], head of Chelsea Business Association could join us.

Last year's promise that the Fresh Market at Ghent Station would open in time to buy your Thanksgiving turkey was delivered with the store's October ribbon cutting.

In early April, Bon Secours will open its new medical office building to complete this \$17.5 million dollar development on W. 21st Street, bringing with it a professional workforce.

We've also seen new residential housing develop in Ghent such as the Element – a \$25 million investment which opened in December with 164 units.

And for more good news, the Donut Dinette is coming back under new ownership and with a planned March reopening.

In Broad Creek, the Salvation Army's \$80 million dollar, 92,000 square foot Kroc Community Center opened in April.

This facility, which is being well used, features an aquatics center, a fitness center, a theatre and classrooms.

Thanks to all who worked so hard to bring this great asset to Norfolk.

Also new to Broad Creek is a Walmart Neighborhood Market that opened in December at Princess Anne and Ingleside roads.

This is a \$10 million investment offering a full-service grocery store to a large and previously underserved area of the city.

It also created 100 new jobs with 95% of those held by Norfolk residents.

More housing will soon be on the way for the historic Huntersville neighborhood when construction begins this spring on Maplewood Plaza, a three-story mixed use building of 13 residential units and 7400 square feet of commercial space.

The opening of the \$18 million dollar K&K Square shopping center and the remodeled Midtown Shopping Center has given the Wards Corner business district a fresh new look and a much improved economy.

Soon, Wards Corner will serve as the home base for 500 employees of Top Guard Security – the region's largest woman-owned business.

The City continued to acquire distressed properties in Denby Park, purchasing 88 more apartment units to bring the total number to 200 – a \$6.8 million dollar investment in that neighborhood's future.

In December, Bon Secours cut the ribbon on DePaul Medical Office Plaza, a \$25 million dollar investment in the city's health care system.

In addition to specialists and primary care physicians, it includes the Cancer Institute featuring state-of-the-art treatment technology and advanced radiation therapy.

One of Norfolk's most valuable resources is Ocean View's seven-and-a-half miles of beaches.

For nearly 20 years, the city has been working with the Army Corps of Engineers on a long term solution for shoreline protection.

Today, I'm pleased to report the City has entered into a historic agreement with the Army Corps to widen the beach by 60 feet in Willoughby and East Ocean View.

The majority of this \$18.4 million dollar project is federally funded.

The city's estimated cost share is \$5.5 million. The project will start in November and be completed by spring of 2016.

Colonel Paul Olsen, Commander, Norfolk District US Army Corps of Engineers is with us today.

Colonel Olsen has helped champion this effort.

Please help me thank him and the Army Corps for their commitment to Norfolk.

An impressive amount of residential construction has occurred in Ocean View.

Last fall, work began on the final phase of East Beach that will bring a mix of 85 single-family homes, townhomes and carriage houses along with retail and commercial space to this award-winning neighborhood.

The East Beach Marina Apartments also opens this spring with 136 units. And 80 additional homes are under construction at Harbor Walk.

Last month, the Housing Authority issued RFPs for the construction of single-family homes on 7.2 acres of land fronting 5th through 7th Bay Streets.

Funding for the initial phase of Bay Oaks Park on the adjoining 11 acres has also been budgeted.

Work continues with the Simon Property Group on developing a portion of the Lake Wright Golf Course into a Premium Outlet Center.

This is a \$75 million dollar project that will bring 120 upscale shops to the city, create 300 construction jobs, 800 permanent jobs and return an estimated \$4.2 million dollars annually in tax revenue.

Simon's decision to bring the next generation of designer shopping here demonstrates the private sector's recognition of Norfolk as the crossroads of Hampton Roads.

This is the most important retail development since MacArthur Center opened, and will induce additional development in the Northampton Boulevard corridor, which has been a priority for Norfolk for many years.

Construction is expected to commence this spring with a summer 2016 opening.

A key component of this development will preserve much of the golf course – including the lake as public open space.

98% of job growth comes from existing businesses and start-ups.

Bauer Compressors is a great example of an existing business creating

job growth.

Bauer is an international company that manufactures high pressure compressors, and has been operating out of Norfolk Industrial Park for nearly 40 years.

In October, Bauer completed a major expansion that added 18,000 square feet to its manufacturing area and a 2-story, 13,000 square foot office building.

The project has created 150 jobs in Norfolk ...95 of the positions have, in fact, already been filled and are precisely the kind of high quality work that help diversify our economy and grow our middle class.

Bauer is a model corporate citizen, we are proud to have them headquartered in Norfolk.

With us today are Vice Presidents Joe Stark and Leslie Rhue [ROO]—please join me in congratulating them.

The Schaubach Companies of Virginia got its start in the mid-1970s when Dwight Schaubach bought a truck and 100 containers and started a company named Bay Disposal.

Today, the Schaubach Companies is comprised of Bay Disposal, Bay Disposal Medical Waste Division, Johns Brothers Heating and Johns Brothers Security.

It employs more than 265 people, and has nearly completed consolidating its operations on 22 acres at the Virginia Renaissance Center – site of the former Ford plant.

It's another example of how existing businesses build the jobs base.

Dwight Schaubach is here today – Dwight, will you please stand.

Last year at this time, we announced the expansion of Portfolio Recovery Associates.

Now an additional \$2 million dollar investment has allowed PRA to move approximately 100 IT employees into the former FBI building.

The company has over 1,100 employees in Norfolk and 3,900 worldwide. PRA group prides itself in its community outreach by encouraging employee volunteerism and providing support to over 15 Norfolk headquartered charities.

PRA's CEO Steve Frederickson is here... please stand Steve.

Start-up businesses are the second engine for job growth, and the addition of the Strome Entrepreneurial Center at ODU promises to inject more energy into our vibrant entrepreneurial climate.

There, a new generation of entrepreneurs will be guided through the entire entrepreneurial life cycle – from planning and analysis to startup and operation.

The Center was made possible through ODU alumnus Mark Strome's generous \$11 million dollar gift to the College of Business.

ODU adds \$2.1 billion dollars to the regional GDP. In just the past 5 years, it has completed capital projects valued at more than \$325 million dollars that include the award-winning Engineering Systems Building and Barry Art Center.

Buildings under construction or planned include a new education building, a dining hall, and the James Hixon Art Studio.

President John Broderick is here today.

Thank you John for joining us and for all you do.

Norfolk State University is also preparing our students for the 21st century economy.

In January, Vice President Biden announced that NSU will be the lead institution in a \$25 million effort to train students for the cybersecurity workforce.

The University is also building for the future – its new library was recently cited as a contributor to Virginia ranking 4th nationally for “green” and sustainable buildings.

We are pleased to have Interim President Eddie Moore with us today.

In June, Virginia Wesleyan College President Dr. Billy Greer, will retire after 23 years of service.

Under his tutelage, Virginia Wesleyan was selected multiple times by the Princeton Review as one of the nation's best colleges.

It was also named a best college for military veterans. Please help me thank Dr. Greer for all he has done.

Also with us today is Dr. Richard Homan, President and Provost of Eastern Virginia Medical School.

Thank you for joining us.

The role EVMS plays in the region's healthcare network and economy—with its community focus – is so important that priceless is not too strong a word to describe it.

With a February 6 groundbreaking for a new Campostella school, work began on the most ambitious school construction program in the city's history.

On March 3, we will break ground on the new Richard Bowling elementary school in Broad Creek.

Altogether, this a \$106 million dollar financial commitment. By September 2017, four new schools will be open replacing outdated facilities in Campostella, Broad Creek, Larchmont and Ocean View.

And another, at Camp Allen, is slated for construction.

Too often lost in the discussion of test scores and accreditation is the fact that Norfolk has schools that are rated among the nation's best.

According to *U. S. News and World Report's* Best High Schools report, Maury and Norview ranked 26th and 48th in Virginia and achieved silver ranking nationally.

Among South Hampton Roads school districts, only one other city had a high school to make the rankings.

Since the 2007-2008 school year, Norfolk has been increasing its share of school funding and now leads the region in total per pupil spending.

In that same period, state funding has fallen \$780 per student.

For the second year in a row, the Virginia Board of Education named Willoughby and Sewells Point as Title I Distinguished elementary schools.

Additionally, last year Granby High graduated Norfolk's second Presidential Scholar since the program began in 1964...

Norview High graduated a Gates Millenium Scholar.

To address the issue of school accreditation, Superintendent Dr. Samuel King is engaged in a multi-year effort to raise achievement scores by

implementing innovative programs and adding math and reading specialists to schools in need of such assistance.

Among those innovations is an Open Campus school –the first of its kind in Virginia – with 125 students who either dropped out or are enrolled but off-track for graduation.

Of the estimated 1.5 million job openings in the Commonwealth in the next decade, 50-60% will not require a four year degree.

But, they will require advanced training in technical skills.

To capture that opportunity for our children, in collaboration with the school administration and the business community, we strongly support building a Career and Technical Education High School that includes rigorous academics, alongside high technical training.

A true game-changer, its establishment is an expensive proposition and will require a strong partnership among the city, the school system, the business and philanthropic community, as well as the state.

In short, it will demand - and is worth - everyone's support.

Early education is crucial for preparing children to succeed.

With the February 2 opening of the New E3 School in Park Place, we now have a first-of-its-kind facility that will educate 104 students from ages 1-5 using a curriculum designed to produce kindergarten readiness to preschoolers from all economic backgrounds.

The school was made possible by the generous support of donors and the Hampton Roads Community Foundation.

The disproportionate number of children living in poverty is unacceptable, and we must do more to loosen its grip on our students.

This includes more support for children facing challenges during the summer and after school hours.

In response, United for Children - a public/private partnership of the United Way - operates a summer school program at P.B Young and Tidewater Park elementaries.

And the academic results have been remarkable.

This year, United For Children adds three more schools on the way to

supporting Booker T. Washington High School and its feeder schools - helping nearly 5,000 children.

It's a wonderful program.

Speaking of support, there are multiple ways for you to support education and one is by volunteering with nonprofit organizations, such as the Life Enrichment Center.

Last year, the LEC operated in five Title I elementary schools where they established high-tech labs and matched volunteers – such as Norfolk police officers and business men and women – to tutor students once a week for a full academic year.

As LEC expands to five more low-income elementary schools this year, it will need more tutors, so I encourage you to contact executive director, Kevin Turpin, to get involved.

Our schools and universities have been succeeding at every level in the sports arena.

We have a number of special guests with us today including, ODU running back and Conference USA Freshman of the Year Ray Lawry along with head coach Bobby Wilder.

In their first season in the Conference USA, at the Football Bowl Subdivision Level, ODU finished with a very impressive 6-6 record.

Thank you for being here.

We're also pleased to welcome Norfolk State University's new head football coach, Latrell Scott.

Coach, we look forward to great things from the Spartans next season. I'm glad to note that ODU and NSU will play each other again this September at Foreman Field.

It's a great rivalry, good for both schools and Norfolk.

We hope it happens on a regular basis.

In December, the Lake Taylor Titans won the Division 4A State Football Championship – their second in the last three years – under Coach Hank Sawyer.

And the Lake Taylor girls' basketball team won its second consecutive state championship under Coach Sandra Sawyer.

Mr. and Mrs. Coach Sawyer are here today... please join me in congratulating Lake Taylor on their championship seasons.

Also with us is Maury's head basketball coach, Jack Baker. Jack has been at Maury for 39 years, and last month achieved a milestone with his 700th career victory.

Please congratulate him on that accomplishment.

I understand that's up to 713 now, Jack.

After much planning and discussion, the council hopes to open a new athletic facility called the Harbor Park Boxing Center by the summer of 2016.

With 13,000 square feet and two boxing rings, it will have a variety of activities, including a junior olympic boxing training program with adult mentoring.

We also hope to provide fitness classes for adults.

Our strong partner in efforts to improve the transportation network in Hampton Roads and Norfolk has been our good friend, the Secretary of Transportation, Aubrey Layne.

On behalf of Governor McAuliffe, the Secretary has made it a personal priority to unlock this region's economic potential on our roadways, over rail, and at the port.

The Secretary is with us today, please join me in thanking Aubrey for his service on our behalf.

Prospects for real and sustained progress on regional transportation projects are much improved following last July's establishment of the Hampton Roads Transportation Accountability Commission – HRTAC for short.

Comprised of the region's head elected officials from 14 jurisdictions and 5 General Assembly members, HRTAC is empowered to finance and build projects using revenues from regional sales and fuel taxes that are now generating about \$14 million dollars monthly.

To date, HRTAC has identified nine regional transportation projects totaling approximately \$8.6 billion dollars – among them widening of I-64 on the Peninsula, preliminary work to replace the High-Rise Bridge, rebuilding the I-64/I-264 interchange and funding to update an environmental study for construction of Patriots Crossing, one half of the third crossing project.

Since 1997, the third crossing has been the region's unanimously agreed upon priority for congestion relief at harbor crossing chokepoints, and has been endorsed by everyone from

The Hampton Roads Chamber of Commerce to the Norfolk Federation of Civic Leagues.

Multiple studies have demonstrated that Patriots Crossing will provide the greatest congestion relief of any single regional project, and do the most to support regional economic growth, all while exerting minimal impact on the environment and existing development on both sides of the water in comparison to other crossing alternatives.

It will also do the most to ease congestion on Norfolk city streets.

A design/build contract is advancing for the first leg of the crossing – the I-564 Intermodal Connector.

It is scheduled for a Summer 2017 completion and is essential to both Navy operations and for handling the ever increasing volume of port-related container traffic.

We must – and we will – find the means to construct the next phase...the harbor crossing.

Anything less is not acceptable.

Some of us can still remember when Hampton Roads, once called Tidewater, was sometimes referred to as Tollwater.

Tolls were very much a part of our past.

They are a part of our present.

And they will certainly be a part of our future.

As egregious as the PPTA contract was for the construction of the Midtown Tunnel with associated improvements, the project could not be built without tolls.

Hopefully, when all the work is finished in less than three years, the traffic relief at the Midtown, Downtown, and other water crossings will ease some anger over the poor deal.

The economy and our quality of life will improve.

Tolls, reasonable tolls, will also be necessary to construct additional

capacity at other water crossings.

Over 152,000 passengers traveled on Amtrak's Norfolk inner-city service last fiscal year, up by 24,000 passengers, or 19% from the previous year.

To improve ridership and passenger convenience – we have been in discussions with the State to secure a later weekday departure time from 5 AM to 6 AM – and we hope to have a favorable response in the near future.

Two additional train slots are also planned.

As we look forward to the coming year and beyond, there is much to be thankful for.

Our economy is diversifying and improving.

The budget is well-managed and structurally balanced. Rating agencies have reaffirmed our excellent bond rating.

Local revenues continue to grow. We finished the fiscal year with a \$4 million dollar surplus.

The crime rate fell again, continuing a 10-plus year trend.

Our unemployment rate is lower as more people are working, and we are committed to improving the lives of our fellow citizens living in poverty.

Our population continues to grow as more people are attracted to the lifestyle of real city living and the many amenities that it offers in terms of entertainment, arts and culture, higher education, quality of life and the convenience of living in the heart of the region.

Norfolk is an amazing place, a vibrant and historic port city where culturally diverse citizens, the military, and businesses are creating the most dynamic and authentic urban waterfront community in America.

I'm proud to say that the state of this old seaport city is strong and the future looks bright.

It is my honor to serve alongside my city council colleagues as we work with you to build a better home for ourselves and for our children.

God bless you and God bless the City of Norfolk.